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**NEGATIVE CHANGE AND JOB OUTCOMES:
The impact of subjective fit in public sector health care organizations**

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Abstract

There is an ongoing level of organizational-wide change (such as empowerment and downsizing) occurring within the Australian health care sector. However, there is a paucity of empirical evidence on how public and nonprofit sector nurses cope with these organizational-wide change initiatives and their consequences on individual and work outcomes. This will be the primary aim of the current paper. To this end, a path model is developed base on an integration of existing theoretical perspectives on occupational stress, change management, and person-organizational fit. Data were collected from 252 public and not-for-profit sector nurses. The path analysis suggests that public and nonprofit nurses experience positive and negative change initiatives. Negative change initiatives resulted in an increase in the level of administrative-related stressors. Nurses with more congruent values report less experience with administrative stressors. As nurses experienced more administrative stressors, they tend to report more job dissatisfaction. Nurses whose values were more congruent during organizational change reported higher level of psychological wellbeing. Nurses who were had higher level of psychological wellbeing were found to have higher job satisfaction, which subsequently led to a higher level of organizational commitment.

Keywords: Australia, nurses, administrative stressors, person-organizational fit, psychological wellbeing, job satisfaction

INTRODUCTION

Consistent with the world-wide phenomenon in health care management, the Australian health care sector has been undergoing on-going change at the industry, organizational and work-unit level. These changes have resulted in the implementation of a variety of organizational change initiatives such as team work, empowerment, and performance management in public and not-for-profit health care organizations.

It is commonly known that nursing is a high stress occupation (Lim, Bogossian, and Ahern 2010). While previous research has shown that there are negative consequences of work intensification on the psychological and job outcomes of nursing staff, there is a paucity of empirical evidence on the impact of organizational change initiatives on the personal and work outcomes of public and nonprofit nurses. In this paper, we will attempt to show that as a result of organizational change, nurses would report a higher level of stressors, which resulted in a deterioration of their work attitudes. This will be the first aim of the current paper.

The literature has also shown that individuals whose values are aligned with that of their organizations are more likely to report a higher level of job satisfaction and organizational commitment as they were able to identify with their organizations (e.g., Cable and DeRue 2002; Newton and Jimmieson 2008). Thus, we will argue in this paper that individuals who have a higher level of identification with their organization would be more accepting of the stressors caused by organizational change initiatives. Hence, our second aim is to examine if personal-organizational fit would act as a mediator of stress-attitude relationship. To this end, a path model is developed base on an integration of change management, occupational stress, and person-organizational (P-O) fit.

Organizational Change, Stress, and Employee Attitudes

Organizational change occurs in different ways. Recent research by Dunford and his

colleagues (2007) found nine different types of organizational practices being implemented by Australian organizations. These practices were compiled after a detail review of the literature comprising 100 books and articles. They include nine practices: collaborative networks/alliances, outsourcing of non-core activities, disaggregation of business units, delayering, reduced internal and external boundaries, flexible work groups, empowerment and short-term staffing. These organizational practices were found to be prevalent in Australian organizations, both in the profit and not for profit sectors. These practices were consistent with the practices identified in the new public management literatures (e.g., Stanton, Willis, and Young 2008). Stanton and her colleagues identified a range of organizational practices (such as outsourcing, structural change, and flexible work groups) implemented as a result of the adoption of new public management managerial philosophy in Australian health care organizations.

Public and nonprofit organizations have been found to adopt private sector managerial practices, including strategic approach to human resource management (e.g., Rodwell and Teo 2008). Diefenbach (2009) noted that NPM reform has detrimental impacts on public sector work as it changes the corporate culture and working conditions within public sector organizations, including an increase in occupational stress, a decline in job satisfaction and motivation, and an invisible net of managerial power and domination. Noblet and his colleagues examined the consequences of the adoption of NPM in various public and nonprofit organizations where employees reported an increase in their job and psychological strain (Noblet, Teo, McWilliams, and Rodwell 2005). Stanton, Willis, and Young (2008) reported a number of negative consequences on nursing and health care work as a result of the adoption of NPM managerial practices. One of the consequences of the more NPM approach to management is that managers have less autonomy and supportive resources to deal with increasing demands (Pick, Teo and Yeung 2012). The heightened accountability

puts further pressure on managerial personnel to achieve performance targets and exacerbates the level of psychological strain experienced by employees.

There is world-wide problem with the retention of nurses in health care organizations. Some of the most common factors which impact negatively on retention of nurses in Australia include stressors such as workload and work environment (e.g., Chang *et al.* 2005; Lim *et al.* 2010). With the ongoing organizational change within health care organizations, several studies have shown that these have an impact on nursing work, an occupation which has been shown to be highly stress. Hence, we expect the introduction of organizational practices, such as those discussed previously would result in more administrative stressors as nurses have to spend more in undertaking non-nursing tasks.

Occupational stress has been shown to have a negative impact on several employee attitudes and outcomes such as psychological wellbeing, job satisfaction and organizational commitment. Tovey and Adams (1999) noted that UK nurses reported a low level of dissatisfaction with an increase in the amount of paperwork and lack of resources and equipment problems. Loretto and colleagues (2005) concluded that during organizational change in the UK National Health Service, psychological wellbeing of nurses can be explained by work and non-work variables. Meta-analysis by Zangaro and Soeken (2007) concluded that there is a strong correlation between job stress and job satisfaction in a sample of US nurses. Bartram and his colleagues (2004) found that in a sample of Australian nurses, those who reported a higher level of job stress tend to report a lower level of job satisfaction. We therefore expect Australian public and nonprofit nursing staff to report a negative association between the presence of administrative stressors in their daily work and their job satisfaction.

Swanson and Power (2001) showed that during organizational restructuring in a public utility in the UK, employees and managers reported an increase in their occupational

stress, which subsequently impacted negatively on their psychological wellbeing. Loretto and colleagues (2005) also conclude that during organizational change in the UK National Health Service, psychological wellbeing of nurses can be explained by work and non-work variables.

Morrison (2004) noted that organizational commitment can be viewed as the relative strength of an individual's identification with, and involvement in, an organization during organizational change. It has been shown that a sample of university academic employees who reported having few resources and/or who reported high job demands tend to report a higher level of psychological strain, which subsequently led to lower level of organizational commitment (Taris, Schreurs, and van Iersel-van Silfhout 2001). Spence Laschinger *et al.* (2001) concluded that staff nurses who had little control over their job tend to experience high psychological stress at work. These individuals were also found to be less empowered, less committed to the organization, and less satisfied with their jobs. Taris *et al.* (2001) noted that strains would result in employees exhibiting withdrawal behaviors such as a lower level of organizational commitment. Matthieu's (1991) study showed that the influence of job satisfaction on organizational commitment was found to be stronger than the reverse effect. Clugston's (2000) study concluded that job satisfaction has a positive causal relationship with organizational commitment.

Effect of Person-Organizational Fit

Research on P-O fit (that is the compatibility in values between a person and an organization) examines the degree to which employees fit with the values related to the employing organization's culture and its positive impact on employee attitudes and outcomes. P-O fit can be measured by examining the perceived level of subjective fit of how well employees believe their own characteristics match those of the organization (Cable and DeRue 2002). Newton and Jimmieson (2008) did not find any relationship between subjective P-O fit and psychological wellbeing. Others such as On the other hand, their study

showed that subjective P-O fit is related to job satisfaction such that better fit explains higher level of job satisfaction. P-O fit has also been shown to relate to organizational commitment (Valentine *et al.* 2004). Hence, we expect P-O fit to have a positive relationship with psychological wellbeing, job satisfaction and organizational commitment. In addition, we expect P-O fit to mediate the negative influence of non-nursing, administrative stressors on job satisfaction.

METHODS

Data and Sample

There are over 220,000 registered nurses and over 50,000 enrolled nurses currently employed in the Australian health care system, 67 per cent of whom work in the public sector and 33 per cent work in the private sector (Australian Institute of Health and Welfare 2010). The sample for this research was provided by an online research company, PureProfile. The company sent an email containing a link to the online survey to their members who match with the occupational and background requirements (such as nurses who are at least 18 years old in age and residing in Australia).

Measures

Administrative stressors. Following Noblet and his colleagues (2006), we used 33 items to measure context-specific administrative stressors. Items rated by at least 50 percent of respondents as being a moderate, large or major source of stress (that is, a score of three, four or five on the 5-point scale) were retained for further analysis. Altogether 12 items were retained for exploratory factor analysis, using Principal component factoring with varimax rotation. Factor analysis resulted in two factors which had greater than 1.0 eigenvalues (resource and time stressors).

Organizational change initiatives. Palmer and Dunford (2002) used eight items to measure organizational change initiatives implemented in Australia. Exploratory factor

analysis resulted in two factors. Factor one demonstrated positive aspects of organizational change (including empowerment and flexibility) while factor two comprised of downsizing, layering and outsourcing. The second factor demonstrated characteristics of negative change initiatives.

Perceived subjective fit. Following Newton and Jimmieson (2008), we used the three-item scale from Cable and DeRue (2002) to measure the level of perceived subjective fit. Perceived subject fit was operationalized as a formative scale.

Job satisfaction. This is measured by using the 15-item scale from Warr *et al.* (1979) as respondents were asked to rate their job satisfaction on a 7-point scale from '1' = Extremely dissatisfied to '7' = Extremely satisfied. Job satisfaction is operationalized as a formative scale.

Organizational Commitment. Following Noblet *et al.* (2005), we adopted the six-item scale from Porter *et al.* (1974). Respondents were asked to rate each item on a five-point scale ranging from '1' strongly disagree to '5' strongly agree. This is a reflective scale.

Psychological wellbeing. We used GHQ-12 scale (Goldberg and Williams 1988) to measure self-perceived psychological health. It is measured using a four-point scale ranging from 3 (much less than usual) to 0 (more so than usual). A higher value implies higher level of psychological health (or less psychological strain). In the model, it is operationalized as a formative construct.

Data analysis

We used *SmartPLS* (Ringle *et al.* 2005), a latent path model was used to analyze the data. Bootstrapping procedure with 500 sub-samples is carried out to provide extra confidence that the results are not sample-specific. A global goodness of fit index (Tenenhaus *et al.* 2005) was calculated to determine the level of model fit.

RESULTS

The online respondents (N=252) were mainly female (72 percent). Over half of the respondents worked full time (56 percent) and most of them aged 31-50 years old (59 percent) and nearly of the sample have worked in their current position for between three to 10 years (46 percent). Results of the path analysis are reported in Table 2. The path model has a large goodness of fit as its global goodness of fit index was 0.41. Statistical significant path relationships are shown in Figure 1. Job satisfaction has a large effect size as indicated by the R-square of 0.51. As reported in Table 1, with the exception of two hypotheses, the majority of the hypotheses were supported.

Insert Figure 1 about here
Insert Table 1 about here

The current study showed that organizational change initiatives were separated into positive and negative dimensions. Negative initiatives were found to have the most significant statistical impact on increasing the level of non-nursing, administrative stressors. Nurses with more congruent subjective P-O fit were found to have less non-nursing administrative stressors. These non-nursing, administrative stressors subsequently led to less psychological wellbeing and an increase in job dissatisfaction. Respondents with higher level of subjective fit, tend to report higher level of psychological wellbeing, job satisfaction, and organizational commitment.

DISCUSSION AND IMPLICATIONS

The aim of the current study is to examine the causal effect of organizational change initiatives on employee attitudes such as job satisfaction, psychological wellbeing and organizational commitment. The next aim was to determine if perceived subject fit has an

impact on employee attitudes. This study shows that public and nonprofit nurses experience different level of non-nursing, administrative stressors as a result of the implementation of positive and negative change initiatives implemented by public and nonprofit health care organizations. Positive change initiatives were found to have a positive influence on the level of non-nursing, administrative stressors while negative change initiatives (such as downsizing and delayering) resulted in more stressors. As nurses experienced more administrative stressors, they tend to report lower level of effective coping, less P-O fit and more job dissatisfaction. Nurses who were more aligned with their organizational values during organizational change were found to have higher level of job satisfaction.

The findings showed that change initiatives, especially those which have negative consequences on the nursing work, if not managed effectively, could result in an increase in administrative stressors (such as resource and time stressors). The findings also contribute to the empirical evidence on the impact of organizational change in public and nonprofit sector and how that impact on work outcomes and employee attitudes. These findings illuminate the need for senior management in health care organizations to be cognizant of the negative work experiences of nursing staff, especially when there is an increasing level of administrative expectations during organizational change.

Consistent with the study by Newton and Jimmieson (2009), we found that value alignment is an important variable in minimizing the negative consequences of stressors on nursing job satisfaction. At a strategic level, effective implementation of organizational change initiatives require staff that have an alignment of their values to that of their employer as it could enhance organizational commitment. While senior management can focus on helping the nursing workforce to undertake various strategies to cope effectively with stress, the current study has shown that values alignment is the most important variable, especially as it resulted in higher job satisfaction, which ultimately led to organizational commitment.

Practical and managerial implications. The current study has implications for human resource managers and senior management in public and nonprofit health care organizations. One implication is to focus on selective staffing as the way to appoint new staff in order to minimize turnover intentions. Selection tests can be used to identify those staff who, in addition to fulfilling the technical requirements of the job description, they should exhibit the same values with that of the employing organization. McCulloch and Turban (2007, 70) noted that effective recruitment by ensuring P-O fit between the new recruits and the hiring organization could result in cost savings in relation to recruitment, hiring, training, and managerial time.

Limitations and future research implications. In the current study, we relied on self-complete questionnaire in a cross sectional sample. Hence, there is possibility that our findings could be affected by common method bias. Future studies could minimize this error by collecting data from multiple sources and or across different time periods. Data should also be collected from a single occupation, instead of relying on cross-sectional sample such as the current study. This would enhance the quality of the data.

CONCLUSION

In conclusion, the current study showed that senior management must take note of implementing different aspects of change initiatives in health care organizations. In order to negate the negative consequences of change initiatives, the alignment of values can be used to mediate the negative consequences of change. In addition to contributing to better understanding the effect of P-O fit in minimizing the negative consequences of change-induced stressors, our study also has practical implications for health care human resource managers when undertaking recruitment and implementing change.

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Figure 1. Results of Path Model

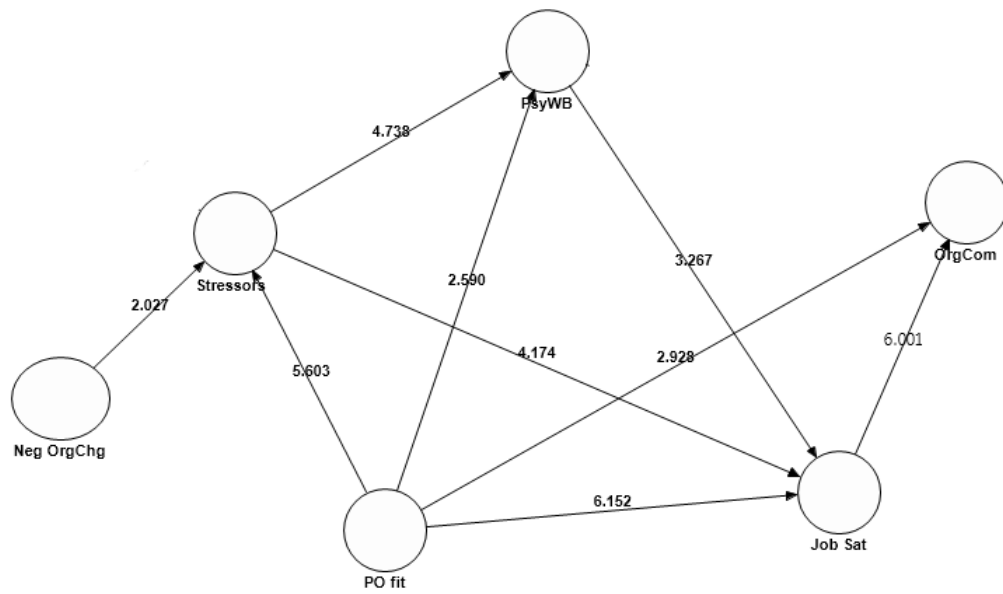


Table 1. Results of Path Analysis

Paths	Path coefficient	t-statistic	Sig. level
Positive Org Chg → Admin Stressors	-0.05	0.5275	n.s.
Negative Org Chg → Admin Stressors	0.20	2.0274	*
Admin Stressors -> Job Satisfaction	0.33	4.1739	***
Admin Stressors -> Psy Wellbeing	-0.34	4.7377	***
PO fit -> Admin Stressors	-0.35	5.6031	***
PO fit -> Job Satisfaction	0.40	6.1517	***
PO fit -> Psy Wellbeing	0.16	2.5902	**
PO fit -> Org Commitment	0.18	2.9283	**
Psy Wellbeing -> Job Satisfaction	0.21	3.2667	**
Psy Wellbeing → Org Commitment	0.03	0.4254	n.s.
Job Satisfaction → Org Commitment	0.47	6.0013	***

N=252

n.s. not significant

*p<.05; **p<.01; ***p<.001